

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401

N REPLY REFER TO: NMNM-03380 3162.7 (07100)

April 27, 2001

Darrin Steed Cross Timbers Operating Company 2700 Farmington Ave. Bldg. K Suite 1 Farmington, NM 87401

RE: Accept Commingle Applications and Allocation Method

Dear Mr. Steed:

cc: NMOCD, Santa Fe, NM NMOCD, Aztec, NM

We have received your allocation factors and your Application for Downhole Commingling of the two wells listed below. After review, we hereby accept your submitted allocation factors listed below. The effective date is the date that downhole commingling actually occurs.

Well Name Lease number	Location	API#	Pictured Cliffs Allocation	Chacra Allocation	Mesaverde Allocation	Effective Date
Florance D LS #9 NMNM-03380	M sec 17, T27N, R8W	30045-06453	12% gas 0% oil	48% gas 0% oil	40% gas 100% oil	CH/MV 7-7-98
Florance D LS #14 NMNM-03380	K sec 21, T27N, R8W	30045-06347	5% gas 0% oil	46% gas 0% oil	49% gas 100% oil	CH/MV 4-17-97

If you have any questions, please contact Joe Hewitt at (505) 599-6365 or email at joe_hewitt@blm.gov.

Sincerely,

Joe Hewitt

Geologist, Petroleum Management Team